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C O N F I D E N T I A L SECTION 01 OF 03 MOSCOW 000355

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TAGS: [MARR](#) [PINS](#) [PREL](#) [ENRG](#) [EU](#) [GG](#) [RS](#)
SUBJECT: DFM GRUSHKO ON GEORGIA, ENERGY SECURITY, AND
EUROPEAN SECURITY

REF: STATE 11363

Classified By: Ambassador John R. Beyrle for reasons 1.4 (b) and (d).

Summary

11. (C) In a wide-ranging meeting February 10, Deputy Foreign Minister Grushko told the Ambassador the GOR had concluded that the only way to guarantee security in Georgia was through the presence of Russian troops. He said a renewed OSCE mandate would have to take into account South Ossetian views and Russia's rejection of Georgia's territorial integrity. The GOR was concerned that the EU's memorandum with Georgia on the movement of security forces undermined Georgian commitments made in the Medvedev-Sarkozy agreement. Events in Georgia had paralyzed NATO-Russia cooperation, and in rebuilding confidence, Russia needed to consider its own security and military-industrial interests with regard to Georgia's and Ukraine's NATO aspirations. Grushko accused the OSCE and CFE of having failed, and said that Medvedev's proposed European Security Treaty (EST) was a "more open and inclusive mechanism" to discuss security issues but cautioned against developing concrete proposals on the EST at this time. Grushko projected that the EU and Russia might conclude new agreements on pipeline projects. The GOR welcomed the proposed interlinkage of electrical grids with Europe, but accused the EU of being in material breach of its commitment to conclude a nuclear material trade agreement. Russia expected the U.S. to refrain from statements cautioning Europe against reliance on Russian energy supplies. Grushko praised the "fresh" and "pragmatic" tone in U.S.-Russian relations set by the Vice President at Wehrkunde. End Summary.

Georgia

12. (C) Deputy Foreign Minister Aleksandr Grushko told the Ambassador February 10 that Georgia was "an example of the problems in European security," saying Russia had concluded that the only way to guarantee security in the area was through the presence of Russian troops, similar to the presence of Turkish forces on Cyprus. When the Ambassador pushed back, saying that this was a dangerous line of logic with implications throughout the region, Grushko countered that Russia was bound by commitments not to deploy troops in CIS countries without their consent, with the exception of Transnistria, where it was "trapped."

13. (C) Grushko claimed Russia was acting in Georgia in accordance with the Medvedev-Sarkozy agreements. He said that Russia did not object to the return of the eight OSCE monitors to South Ossetia under a new mandate, but that the mandate would have to take into account South Ossetian views

and Russia's rejection of calls to restore Georgia's territorial integrity. Calling it a difficult issue, Grushko demanded that monitors should not inspect Russian military bases and that the revived mission would need to find ways to cooperate with local authorities, "without the political hangups."

¶4. (C) Grushko objected to the Ambassador's support for continued Geneva process talks, saying that meetings should focus on results, not frequency. He also charged that Russia was receiving troubling information that Georgian security and paramilitary forces were moving towards the border. Grushko charged that the recent memorandum of understanding between the EU and Georgia on the presence of security forces undermined commitments made in the Medvedev-Sarkozy agreement that required Georgian forces to return to their usual barracks. The new agreement permitted the movement of a Georgian battalion and tanks, he said, while "our military presence was not a result of Russian Federation policy, but of Georgian actions."

NATO

¶5. (C) In reply to the Ambassador's question on engaging at the NATO-Russia Council (NRC), Grushko judged that the NRC failed when it denied Russia the opportunity to present its side during the crisis in Georgia. Russian cooperation in the NRC was "paralyzed" as a result of NATO's "bias," but Grushko said that Russia was now in the phase of rebuilding confidence, which included understanding who started the

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conflict. While noting the Russia did not challenge a state's right of association, Grushko said that in regards to Georgia and Ukraine's NATO aspirations, "it was not about their right to choose," but about Russian security and military-industrial interests. "This was about our sphere of security," he underlined. Ambassador commented that the U.S. and EU partners rejected the "security sphere" concept.

European Security Treaty

¶6. (C) Preparing his case for Medvedev's European Security Treaty (EST) which he will present to the OSCE February 18, Grushko said the OSCE had lost its role in the security dialogue, and needed to be reformed "to better link the behavior of regimes to consequences," or replaced. He similarly charged that "the CFE has hit a wall and is stuck," and warned "we might lose the whole mechanism." The long delay in the Adapted CFE has made it less relevant, as "we missed the chance" to discuss lowering ceilings for the Baltics. He questioned the need for a Cold War-era structure that burdened Russia with over 3,000 inspections a year. He believed that these problems could be overcome if there was a reengagement on the political level on "real security" issues. The Ambassador countered that it was difficult to have a dialogue when Russia had suspended its participation in the CFE, although we had tried to bridge gaps through the parallel actions package. Grushko replied that this was a problem of action versus promises -- "Russia was to make withdrawals and NATO was to fulfill promises" -- but that movement forward was possible through new approaches.

¶7. (C) As a result of the failures of the CFE, OSCE, as well as gaps in European security, including energy security, Grushko advocated for Medvedev's proposed EST (reftel), arguing that energy security, the Arctic, cyber-security, territorial integrity, the use of force, and instruments of arms control needed to be discussed in a more open and inclusive mechanism. However, Russia did not intend to produce more detailed proposals at this time, preferring a "bottom-up" process that agreed upon basic rules of Euro-Atlantic security, which in turn would create an incentive for Russia to cooperate.

¶8. (C) Grushko pleaded for any efforts on security to be undertaken in cooperation with the UN, "unlike NATO's actions," but said that Russia was realistic and asked that whatever was created would permit "freedom of action" for security groupings and not undermine them. Calling the EST a "romantic notion," he said that "we should not rely only on NATO and the CSTO to solve common challenges and threats." Ambassador replied that it appeared Russian ideas on the EST were still in a formative stage, and suggested more informal "Track-2" discussions ahead of elaboration of any more formal positions.

EU-Russian Relations

¶9. (C) While Russia had discussed the Partnership and Cooperation Agreement (PCA) with the European Commission delegation on February 6, Grushko said he was hesitant to call that "progress," as negotiations had been repeatedly delayed. Russia, however, was serious in its efforts on all four common spaces under discussion -- economic security; freedom, security, and justice; external security; and research and education. He said that the main task was to identify areas where Russia and the EU could act as partners, and areas where the two acted as competitors "on the basis of rules."

¶10. (C) Russia and the EU were drawing lessons and conclusions from the January gas crisis, Grushko said. In the GOR's view, energy security between the Europe and Russia was a pillar of the European security dialogue, separated from ideological struggle and based upon the technical and financial feasibility of projects and contracts. Russia, however, needed EU guarantees that it had a market for gas and oil, and surmised that the solution may be a legally-binding regime. The Ambassador called for the GOR to open upstream development of gas and oil to foreign companies, arguing that this expansion of investment could assist Gazprom in meeting its contractual commitments. Grushko agreed this would increase energy security, and said Russia would consider investments and projects, but also improved efficiencies.

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¶11. (C) As Gazprom worked to complete North and South Stream, Grushko said that Russia stood ready to provide guarantees to Poland and other transit states that there would be no decrease in transit fees. He dismissed Ukrainian PM Tymoshenko's presentation at the Munich conference, where she urged European countries to judge Ukraine as a reliable partner, and to reconsider developing alternative pipelines bypassing the country and instead increase capacity through Ukraine because of cost.

¶12. (C) Grushko welcomed plans to interlink Russian and EU electrical grids (discussed during the recent visit of the EC Commission to Russia), although he allowed that significant technical challenges remained. However, he accused the EU of being in "material breach" of the existing PCA on nuclear energy cooperation. In the GOR's view, the EU failed in its PCA commitment to conclude with Russia an agreement on trade in nuclear materials by January 1, 1997. This commitment was part of the assurances given to the GOR when signing the EU Energy Charter Treaty (which the GOR has not yet ratified).

¶13. (C) The Ambassador offered that there were additional areas for U.S.-Russian cooperation in clean coal technology and energy efficiency. While agreeing, Grushko urged the U.S. to refrain from statements cautioning the EU against relying on Russian energy supplies. He said that once the subject of energy security moves to "classic security" venues, ideological competition and jostling over spheres of influence arise. The Ambassador responded that the U.S. commitment to energy security in Europe included

diversification of supply, which should not be misconstrued as "anti-Russian."

U.S.-Russian Relations: Munich Atmospherics

¶14. (C) Grushko said that the U.S. delegation's remarks at the Munich Security Conference, led by Vice President Biden, had met Russia's high expectations for the new U.S. administration. While noting that there were differing points of view, he called the U.S. delegation's approach "fresh" and "pragmatic," and concluded that the U.S. and Russia could find ways to deepen cooperation, particularly on Afghanistan. He welcomed the U.S. delegation's stated desire to find a mechanism for U.S.-Russian relations and that the reminder of the Gore-Chernomyrdin Commission was taken "without connotations."

BEYRLE